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**FORMER OGILVY AND MATHER EXECUTIVE PLEADS GUILTY
IN FEDERAL COURT TO PARTICIPATING IN FALSE BILLING SCHEME**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, announced today that RAYMOND SIMKO, the former New York Media Head of Ogilvy and Mather, New York, an advertising agency in Manhattan, pled guilty today in Manhattan federal court to conspiring to defraud the Government, to file false claims and to make false statements.

These charges arose from SIMKO's participation in an extensive scheme to defraud the United States Government by falsely and fraudulently inflating the labor costs that Ogilvy and Mather had incurred with respect to a contract it was awarded by the Office of National Drug Control Policy (the "ONDCP"). According to the Information, the ONDCP is a component of the Executive Office of the President, and was responsible for conducting a nationwide media campaign entitled the National Youth Anti-Drug Media Campaign (the "Media Campaign"), the goal of which is to educate the nation's youth about the dangers of

illegal drugs. In December 1998, Ogilvy and Mather was awarded a contract (the "Contract") for Phase III of the Media Campaign. The Contract was a cost-plus-fixed-fee contract that entitled Ogilvy and Mather to reimbursement for allowable costs actually incurred during the course of the Contract as well as a fixed fee that was negotiated at the outset of the Contract.

According to the Information, in the summer of 1999, certain of SIMKO's co-conspirators learned that the labor billings on the Contract were running approximately \$3 million less than what Ogilvy and Mather had previously anticipated. After recognizing this shortfall, from September 1999 through April 2000, SIMKO, along with his co-conspirators, schemed to defraud the United States Government by causing Ogilvy and Mather to fraudulently inflate the number of hours that Ogilvy employees had worked on the ONDCP Contract by, among other things: (1) directing Ogilvy employees to record on their time sheets a specified percentage of their time for the ONDCP Contract whether or not the employees had actually worked that percentage of time on the ONDCP Contract; and (2) causing falsified time sheets to be submitted to the Government in support of their fraudulent claims for reimbursement of labor costs.

RAYMOND SIMKO, 56, who lives in Manhattan, will be sentenced before United States Justice RICHARD M. BERMAN on June 20, 2005.

SIMKO faces a maximum sentence of five years in prison and a \$250,000 fine, or twice the gross gain or loss resulting from the crime, on the conspiracy count.

SIMKO's plea follows the convictions after trial of Thomas Early, a former Senior Partner and the Director of Finance of Ogilvy and Mather, and Shona Seifert, a former Senior Partner and Executive Group Director of Ogilvy and Mather, of participating in the billing fraud scheme.

Mr. KELLEY thanked the Federal Bureau of Investigation and the United States Department of Defense for their assistance in the investigation. Mr. KELLEY also recognized the cooperation of Ogilvy and Mather throughout the investigation and the trial.

Assistant United States Attorneys KIM A. BERGER, LAUREN GOLDBERG and ALEXANDER J. WILLSCHEER are in charge of the prosecution.

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